Treasury Board of Canada Secretariat

2012–13

Report on Plans and Priorities

© Her Majesty the Queen in Right of Canada,
represented by the President of the Treasury Board, 2012

Catalogue No.
ISBN

This document is available on the Treasury Board of Canada Secretariat website at http://www.tbs-sct.gc.ca

This document is available in alternative formats upon request.

Table of Contents

President's Message 1

Section I: Organizational Overview 3

- Raison d'être 3
- Responsibilities 3
- Strategic Outcome and Program Activity Architecture 5
- Organizational Priorities 7
- Risk Analysis 9
- Planning Summary 11
- Expenditure Profile 14
- Estimates by Vote 17

Section II: Analysis of Program Activities by Strategic Outcome 18

- Strategic Outcome 18
- Program Activity 1: Management Frameworks 19
- Planning Highlights 20
- Program Activity 2: People Management 21
- Planning Highlights 22
- Program Activity 3: Expenditure Management 23
- Planning Highlights 24
- Program Activity 4: Financial Management 25
- Planning Highlights 26
- Program Activity 5: Government-Wide Funds and Public Service Employer Payments 27
- Planning Highlights 28
- Program Activity 6: Internal Services 29
- Planning Highlights 30

Section III: Supplementary Information 31

- Financial Highlights 31
- Future-Oriented Financial Statements 32
- List of Supplementary Information Tables 32

Section IV: Other Items of Interest 33
Organizational Contact Information..... 33

President's Message

I am pleased to present the *2012–13 Report on Plans and Priorities* of the Treasury Board of Canada Secretariat. This report supports the presentation of the Secretariat's *2012–13 Main Estimates*, and sets out our priorities for the fiscal year and how we will achieve them.

The Secretariat's overarching objectives are to ensure value for money in government spending, modernize government operations, and implement a sustainable approach to effective people management.

To achieve our goals, we will work with departments and agencies to support the implementation of the government's cost-reduction and cost-containment measures. We will also ensure that our policies strengthen the consolidation of IT infrastructure and services under Shared Services Canada, as well as standardize and simplify human resources and financial-management business processes and platforms. The Secretariat will advance the Open Government initiative by developing and implementing an action plan that will enhance Canadians' access to government data and information, and support Canada's participation in the international Open Government Partnership. In keeping with our mandate to reduce red tape for business and internal to government, we will implement the small business lens and the One-for-One rule, enhance our approach to e-reporting, and further streamline our rules and policies. With our continuing focus on modernizing the public service workplace and achieving management excellence, we will support public sector organizations as they implement the new *Values and Ethics Code for the Public Sector*, and provide tools in support of effective workforce planning and performance in departments and agencies.

Just as the Secretariat will enable a more cost-effective approach to management across government, it will also pursue greater efficiency and effectiveness in its own operations, including streamlining and automating its internal business processes.

I invite you to read this report to see how the Secretariat continues to work to achieve better government, with partners, for Canadians.

Original signed by

The Honourable Tony Clement,
President of the Treasury Board and Minister for FedNor

Section I: Organizational Overview

Raison d'être

The Treasury Board of Canada Secretariat (Secretariat) is the administrative arm of the Treasury Board. It supports Treasury Board ministers and strengthens the way government is managed to ensure value for money in government spending and results for Canadians.

Responsibilities

The Secretariat makes recommendations and supports the Treasury Board in each of its roles (see text box "Treasury Board Roles"). It provides advice on policies, directives, regulations and program spending to promote sound management of government resources. The Secretariat also provides leadership and guidance to enable management excellence within departments and agencies, while respecting the primary responsibility of deputy heads in managing their organizations and their roles as accounting officers before Parliament.

Within the Secretariat, the Comptroller General of Canada provides government-wide leadership, direction, oversight and capacity building for financial management, internal audit, and acquired services and assets management. The Chief Human Resources Officer leads people management across the core public administration by developing workplace and workforce policies and programs; centrally managing labour relations, compensation, and pension and benefit plans; and supporting excellence in executive leadership and management. The Chief Information Officer provides government-wide strategic direction and leadership for information management (IM) and information technology (IT), including identity management, security, and access to information and privacy.

Treasury Board Roles

The Treasury Board is a Cabinet committee of ministers that oversees the government's financial, human resources and administrative responsibilities, and establishes policies that govern each of these areas. In addition, the Prime Minister has designated the Treasury Board to act as the committee of the Queen's Privy Council with respect to the consideration and approval of regulations and most Orders in Council. The Treasury Board, as the Management Board for the government, has three principal roles:

- It acts as the government's **Management Office** by promoting improved management performance and approving policies to support the prudent and effective management of the government's assets, financial, information and technology resources.
- It acts as the government's **Budget Office** by examining and approving the proposed spending plans of government departments, and reviewing the development of approved programs.
- It acts as the employer and **People Management Office** by setting people management policies and managing compensation and labour relations, including determining the terms and conditions of employment.

The Treasury Board Portfolio consists of the Secretariat and the Canada School of Public Service. The Public Service Pension Investment Board, the Office of the Commissioner of

Lobbying of Canada and the Office of the Public Sector Integrity Commissioner of Canada are arm's length organizations that report to Parliament through the President of the Treasury Board.

The Secretariat is guided by its vision of "better government: with partners, for Canadians." When working with federal departments, agencies and Crown corporations, the Secretariat plays three central agency roles:

- An enabling role to help organizations improve management performance;
- An oversight role that includes developing policies and standards, and reporting on the government's overall management and budgetary performance; and
- A leadership role in driving and modelling excellence in public sector management.

In recent years through the renewal of the Treasury Board policy suite[i] and such legislation as the *Federal Accountability Act*, greater emphasis has been placed on the Secretariat's enabling role—helping deputy heads maximize their authorities to achieve management excellence within their organizations.

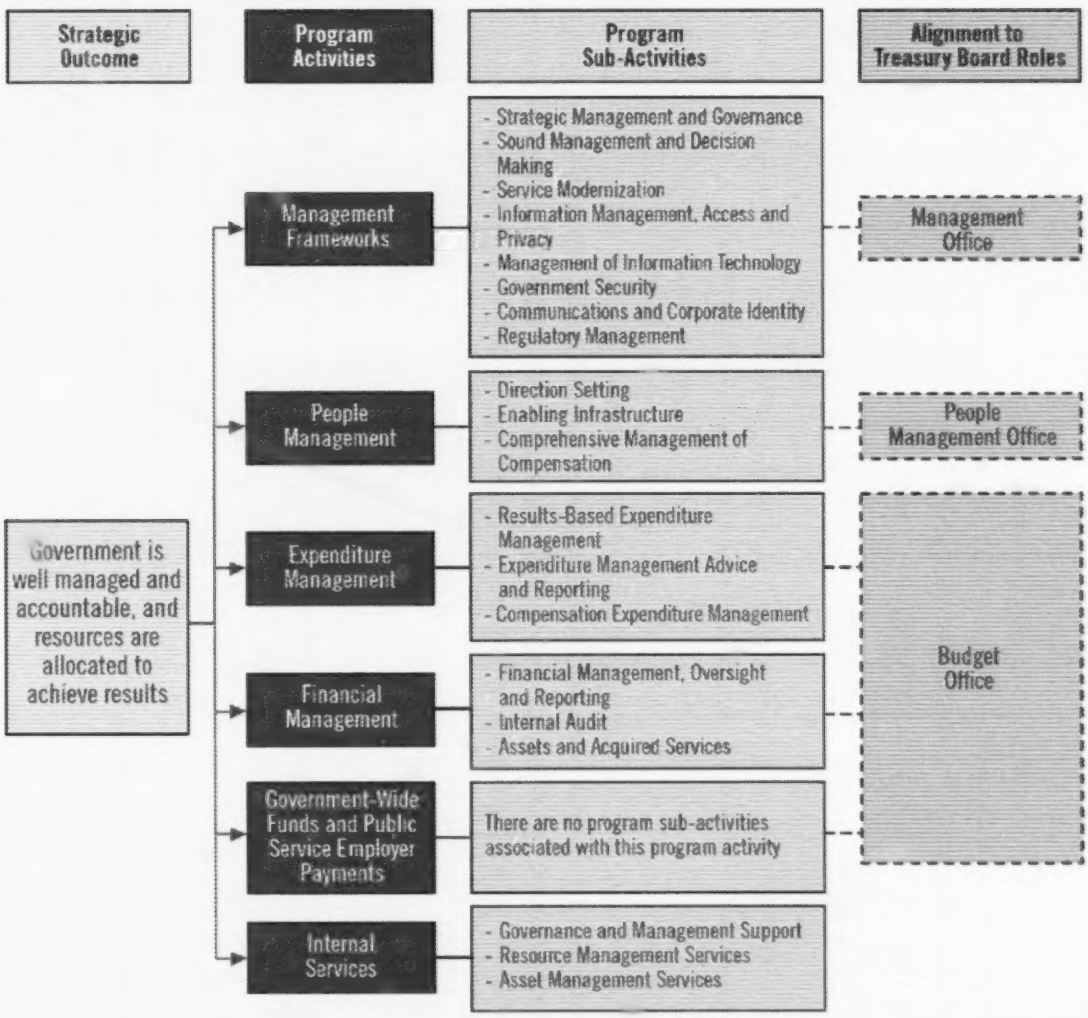
The following diagram depicts how the Secretariat works with organizations to fulfill its three central agency roles and how it supports the Treasury Board.

Figure 1. How the Secretariat Works with Organizations

Strategic Outcome and Program Activity Architecture

The following diagram outlines all of the Secretariat's program activities; these activities contribute to the achievement of its strategic outcome. The program activities collectively make up the Secretariat's Program Activity Architecture (PAA). The diagram also aligns the program activities of the Secretariat with the three main roles of the Treasury Board. The Secretariat's strategic outcome and each of its program activities are discussed in greater detail in Section II.

Figure 2. Program Activity Architecture 2012–13


Strategic Outcome
Program Activities
Program Sub-Activities
Alignment to Treasury Board Roles
Government is well managed and accountable, and resources are allocated to achieve results
Management Frameworks
- Strategic Management and Governance
- Sound Management and Decision Making
- Service Modernization
- Information Management, Access and Privacy
- Management of Information Technology
- Government Security
- Communications and Corporate Identity
- Regulatory Management
Management Office
People Management
- Direction Setting
- Enabling Infrastructure
- Comprehensive Management of Compensation
People Management Office
Expenditure Management
- Results-Based Expenditure Management
- Expenditure Management Advice and Reporting
- Compensation Expenditure Management
Financial Management
- Financial Management, Oversight and Reporting
- Internal Audit
- Assets and Acquired Services
Budget Office
Government-Wide Funds and Public Service Employer Payments
There are no program sub-activities associated with this program activity
Internal Services
- Governance and Management Support
- Resource Management Services
- Asset Management Services

Operating Environment

The Secretariat continues to operate in a complex environment characterized by ongoing global economic uncertainty, rapid technological change and an aging workforce.

In the face of ongoing global economic change and uncertainty, governments around the world are focused on returning to balanced budgets, containing growth in spending and increasing their operational efficiency. In Canada, the government has established a plan to return to balanced budgets in the medium term. Budget 2011[ii] set the objective of achieving at least $4 billion in ongoing annual savings by 2014–15, or 5 per cent of the review base. At the same time, departments and agencies continue to implement decisions taken as part of the previous Strategic Review exercise; its implementation will continue through 2013–14. The Secretariat will continue to have an important role in enabling organizations as they implement their respective savings targets. It will also implement its own internal savings measures.

The need to reduce costs and increase efficiency presents an opportunity for government to modernize how it operates and to rethink how it delivers programs and services. The announcement of Shared Services Canada in 2011–12 was a major step toward consolidating and streamlining IT management and infrastructure, and reducing duplication across departments and agencies. Opportunities remain for further standardization and simplification of government administrative processes, including in the areas of human resources and financial management.

Modernizing government also entails the expansion of the Open Government initiative,[iii] which further enhances Canadians' access to government data and information, and creates new opportunities for dialogue. In 2011–12, Canada announced its intention to join the international Open Government Partnership[iv] to promote transparency, accountability and citizen engagement. The government continues to consult with Canadians to identify additional opportunities for open government.

Cutting red tape remains a priority for the government. In January 2012, the Red Tape Reduction Commission[v] provided recommendations for reducing the administrative burden on small businesses that is associated with regulatory compliance. In response, the government is developing an action plan featuring a One-for-One Rule that will provide for a zero net increase in administrative burden. At an international level, the joint Canada-U.S. Action Plan on Regulatory Cooperation[vi] is helping to reduce trade barriers by aligning regulatory approaches. Work is also underway to simplify the government's internal rules and oversight processes. This includes looking at ways to streamline legislated reporting requirements and internal management policies, and provide information to Parliament in a more immediate, accessible and cost-effective way (e.g., electronic tabling of reports).

The need for fiscal restraint, coupled with Canada's aging workforce, requires a strategic, long-term approach to people management in the Government of Canada. Public Service Renewal remains a key initiative, including modernizing the workplace and adopting new tools and technologies. At the same time, the government is taking necessary steps to enhance its workforce planning to ensure that resources are well aligned to priorities and that compensation and benefits are managed in an integrated, sustainable manner over time.

Occupational Group Structure Review

The Secretariat is updating public service work descriptions to better reflect 21st century work and to help develop a more mobile and flexible workforce that can meet the demands of the future.

Organizational Priorities

The Secretariat has identified four priority areas for 2012–15, as well as plans to support these priorities in the 2012–13 fiscal year. Plans and priorities will be supported by specific initiatives under each of the Secretariat's program activities, which are described in Section II.

Priority 1	Type[1]	Program Activities
Support the government in ensuring value for money	Ongoing	Expenditure Management Financial Management
Description		
Why is this a priority? Ensuring value for money in government programs, services and operations is an essential component of the government's management agenda. This priority contributes to the Secretariat's strategic outcome by ensuring that government resources are effectively allocated to achieve results. **Plans for meeting the priority:** • Support the government in implementing the results of strategic savings measures. • Oversee the implementation of government cost-containment measures. • Enable deputy heads to implement improvements to financial systems and reporting, and build capacity in the financial management community.		

1. "Type" is categorized as follows: **Previously committed to**—committed to in the first or second fiscal year before the subject year of the report; **Ongoing**—committed to at least three fiscal years before the subject year of the report; and **New**—newly committed to in the reporting year of the Report on Plans and Priorities or Departmental Performance Report.

Priority 2	Type	Program Activities
Advance initiatives to modernize government operations	Ongoing	Management Frameworks People Management

Description

Why is this a priority?

In light of fiscal pressures and demographic change, there is an ongoing need to modernize how government operates in order to increase its overall efficiency and effectiveness, and to respond to the evolving expectations of Canadians. This priority contributes to the Secretariat's strategic outcome by enabling well-managed and accountable government.

Plans for meeting the priority:

- Implement initiatives in support of Open Government.
- Pursue a risk-based approach to government oversight and reduce the administrative reporting burden, including the administrative burden on businesses that is associated with regulatory compliance and reporting.
- Support the government's efforts to consolidate internal and external services, and standardize government business processes.

Priority 3	Type	Program Activities
Enable a modern and sustainable approach to people management	Ongoing	People Management Expenditure Management

Description

Why is this a priority?

It is particularly important in a period of fiscal restraint and demographic change to adopt an integrated, long-term view of workforce planning and performance across government. This priority contributes to well-managed and accountable government by advancing a modern and efficient approach to human resources management across the core public administration.

Plans for meeting the priority:

- Enhance public service–wide workforce planning and performance.
- Develop a comprehensive approach to compensation.
- Continue to renew Treasury Board's people management policies.

Priority 4	Type	Program Activities
Pursue greater efficiency and effectiveness within the Secretariat	Ongoing	Internal Services

Description

Why is this a priority?

The Secretariat will continue to focus on increasing the efficiency and effectiveness of its operations. This priority contributes to the Secretariat's strategic outcome by ensuring that its human and financial resources and internal processes are optimized to support key results across all its program activities.

Plans for meeting the priority:

- Pursue initiatives to increase operational efficiency, including working with Shared Services Canada.
- Embed the Secretariat's enabler role in all aspects of its activities.
- Implement the long-term accommodation plan and advance the Workspace Renewal Initiative.

Risk Analysis

The Secretariat actively monitors its operating environment in order to identify and manage risks that could affect progress toward its strategic outcome and organizational priorities. Key risks are captured in the Secretariat's Corporate Risk Profile, which is updated at least once per year. For the 2012–15 period, the Secretariat has identified a number of key corporate risks, grouped into two categories: risks affecting the Secretariat's central agency functions and departmental risks related to its internal operations.

Central Agency Risks

The Secretariat operates in a dynamic fiscal environment. As departments and agencies work to implement a number of ongoing restraint initiatives, there is a risk that the Secretariat may not effectively enable the achievement of new and emerging fiscal objectives. This risk is most relevant to the Expenditure Management program activity.

The drive for greater efficiency creates an opportunity to accelerate the modernization of government. At the same time, the increased complexity and pace of change may challenge the Secretariat's ability to enable wide-scale standardization and consolidation of government systems and processes. This risk is most relevant to the Management Frameworks program activity.

As government seeks to strike the right balance between innovation, risk and control, adopting a simplified, risk-based approach to management oversight remains a key challenge. In recent years, progress has been made in shifting the roles and responsibilities of the Secretariat toward a greater enabling role, and in shifting that of deputy heads toward clearer accountability for the operations of departments (see "Responsibilities"). There is continued risk of a slowing down

or backsliding of this shift. This risk is most relevant to the Management Frameworks program activity.

Key to mitigating central agency risks will be to maintain an ongoing dialogue with deputy heads and functional communities to anticipate issues and develop timely responses, advice and tools in support of achieving fiscal objectives and government modernization. The Secretariat will also take a more integrated approach to collecting and managing data about departments and agencies to enable integrated analysis, monitoring and enhanced decision making. It will continue to review and propose adjustments to the suite of Treasury Board policies to minimize unnecessary administrative burden and embed risk-based decision making across management functions.

Departmental Risks

The Secretariat has identified risks to its internal operations, including its ability to ensure business continuity in emergency situations and to respond to ever-present cyber threats to its data and information. With the creation of Shared Services Canada, the Secretariat is also managing risks around the transition to a new government-wide approach to managing certain IT services and infrastructure; it has created an internal project team to enable a smooth transition and mitigate any risks to its internal IT services. Further, the Secretariat is managing risks around the transformation and sustainability of its operational processes and systems following successive resource reductions resulting from government cost-containment measures. These departmental risks are relevant to the Internal Services program activity (see "Program Activity 6: Internal Services" in Section II).

Cyber Security

The Secretariat recently implemented a layered defence strategy to protect its IT infrastructure. This included consolidating its data centres and increasing security measures for its computers and servers. In addition, all employees will now receive mandatory security awareness training and real-time compliance monitoring.

Strategies to mitigate departmental risks include implementing and monitoring the plans for Departmental Security, Disaster Recovery, Emergency Management and Business Continuity, as well as regularly engaging employees to improve security awareness and emergency preparedness. The Secretariat will also leverage its integrated business planning process to ensure that resources and internal support services are aligned to the highest priorities and that spending is closely monitored.

Planning Summary

Financial Resources[2]

This table presents a summary of the total planned financial resources for the Secretariat for the next three fiscal years.

Operating Expenditures ($ thousands)

2012–13	2013–14	2014–15
262,944	243,796	240,544

Government-Wide Funds and Public Service Employer Payments[3] ($ thousands)

2012–13	2013–14	2014–15
5,430,433	5,420,474	5,411,574

Human Resources

This table presents a summary of the total planned human resources for the Secretariat for the next three fiscal years, presented as the number of full-time equivalents (FTEs).

Human Resources (FTEs)

2012–13	2013–14	2014–15
2,066	1,926	1,921

2. All the amounts presented in this report may vary due to rounding.
3. This table includes $3.1 billion of centrally managed government-wide funds for Vote 5—Government Contingencies, Vote 10—Government-Wide Initiatives, Vote 25—Operating Budget Carry Forward, Vote 30—Paylist Requirements, and Vote 33—Capital Budget Carry Forward. It also includes expenditures of $2.3 billion for Public Service Employer Payments. For the exact breakdown of the amounts, see "Program Activity 5: Government-Wide Funds and Public Service Employer Payments" in Section II.

Planning Summary Tables

Strategic Outcome: Government is well managed and accountable, and resources are allocated to achieve results.	
Performance Indicator	**Target**
Canada's ranking in The World Bank Worldwide Governance Indicators,[vii] Indicator 3, "Government Effectiveness."	Top 10 among Organisation for Economic Co-operation and Development member countries (annually).

Planning Summary Table ($ thousands)

Program Activity	Forecast Spending 2011–12	Planned Spending			Alignment to Government of Canada Outcomes
		2012–13	2013–14	2014–15	
Management Frameworks	80,181	59,741	50,480	50,031	Government Affairs: Well-managed and efficient government operations.
People Management	66,715	59,431	53,768	51,772	
Expenditure Management	56,324	35,295	35,295	35,295	
Financial Management	35,018	32,912	32,532	32,532	
Government-Wide Funds and Public Service Employer Payments	4,164,299	5,430,433	5,420,474	5,411,574	
Total Planned Spending		5,617,812	5,592,550	5,581,204	

Planning Summary Table for Internal Services ($ thousands)

Program Activity	Forecast Spending 2011–12	Planned Spending		
		2012–13	2013–14	2014–15
Internal Services	91,796	75,564	71,721	70,914

Cost Containment

The Secretariat is undertaking measures to increase its operational efficiency and reduce costs. These include adjustments to address the freeze on departmental operating budgets at 2010–11 reference levels, which was announced in Budget 2010;[viii] ongoing implementation of the results of the Secretariat's 2010 Strategic Review announced in Budget 2011; and its contribution to the creation of Shared Services Canada.

Operating Budget Freeze

The Secretariat is implementing the last year of the three-year freeze on departmental operating budgets announced in Budget 2010. Through its implementation of a three-year Strategic Financial Plan in 2011–12, the Secretariat can now incorporate in one document the financial impact of government-wide expenditure restraint measures, including the impact of the operating budget freeze. In addition, through its quarterly financial reviews, it continues to regularly monitor spending to ensure it operates within allocated resources. The Secretariat is monitoring staffing and attrition more closely and, where necessary, may not fill all vacated positions. It also continues to implement measures to maximize operational efficiency and productivity, such as streamlining business processes and reducing travel and hospitality costs, wherever possible.

Strategic Review

In 2012–13, the Secretariat will continue to implement its 2010 Strategic Review results,[ix] which identified $11.5 million in savings, representing 6 per cent of its budget. The Secretariat successfully met its $4.9 million savings target for the first year of implementation (2011–12). It is ahead of schedule for meeting its savings targets for the remaining two fiscal years, having already implemented 72 per cent of the $9.7 million target for the cumulative period ending in 2012–13 and 63 per cent of the $11.5 million target for the cumulative period ending in 2013–14. These efficiencies are being realized across the department by eliminating lower priority activities, reducing discretionary activities, and streamlining and consolidating internal processes and resources.

Shared Services Canada

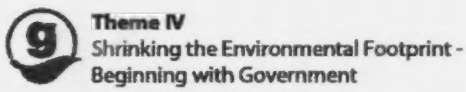
The Secretariat has also been supporting the creation of Shared Services Canada, which was established by an Order in Council dated November 16, 2011. Cost savings will be achieved through the consolidation and centralized delivery of government IT services (i.e., email, data centre and network services). In 2011–12, the Secretariat contributed $4.3 million (net of revenue) to the creation of Shared Services Canada, including the transfer of 45 positions. It is also providing advice on the establishment of this organization's internal management functions. In 2012–13 and ongoing, the Secretariat will provide $10.6 million (inclusive of the employee

benefit plan) to Shared Services Canada as a result of responsibilities transferred to the new organization.

Contribution to the Federal Sustainable Development Strategy

The Federal Sustainable Development Strategy (FSDS) outlines the Government of Canada's commitment to improving the transparency of environmental decision making by articulating its key strategic environmental goals and targets. The Secretariat ensures that consideration of these outcomes is an integral part of its decision-making processes. In particular, through the federal Strategic Environmental Assessment (SEA) process, any new policy, plan or program initiative includes an analysis of its impact on attaining the FSDS goals and targets. The results of SEAs are made public when an initiative is announced, demonstrating the department's commitment to achieving the FSDS goals and targets.

The Secretariat contributes to Theme IV of the FSDS, Shrinking the Environmental Footprint – Beginning with Government, as denoted by the following visual identifier.



This contribution is a component of the Internal Services program activity and is further explained in Section II.

For additional details on the Secretariat's activities to support sustainable development, please consult the Secretariat's website.[x] For complete details on the FSDS, see the Environment Canada website.[xi]

Expenditure Profile

For fiscal year 2012–13, the Secretariat's total available funding in the Main Estimates is $5.69 billion. This includes centrally managed funds, in the amount of $3.15 billion, used to supplement the appropriations of other departments. The Secretariat's planned spending excluding centrally managed funds is $2.54 billion.

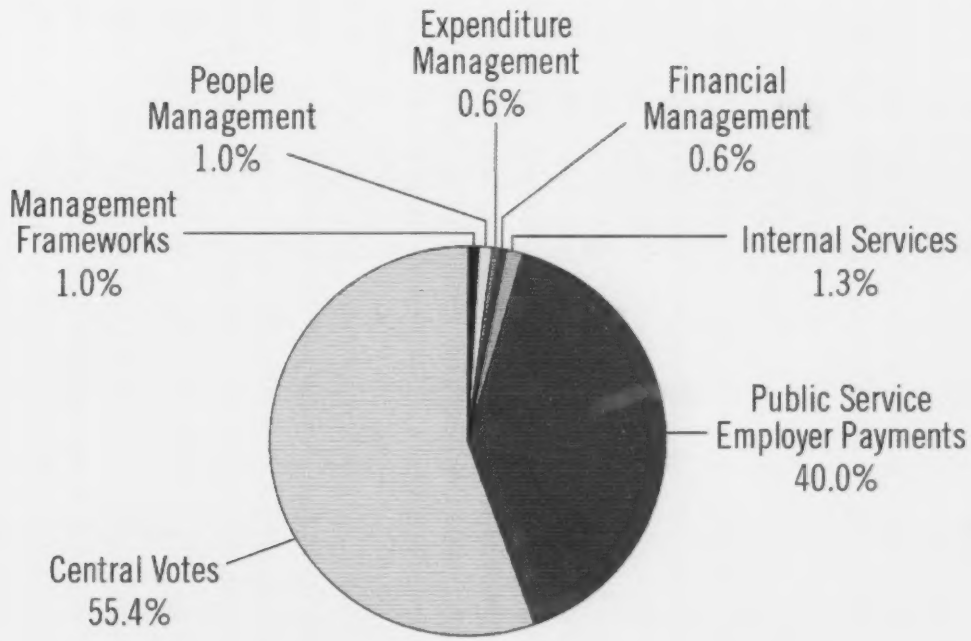
The majority of the planned spending ($2.28 billion) is related to the Secretariat's role as employer of the core public administration. These funds are used for the following:

- The public service pension, benefits, and insurance, including payment of the employer's share of health, income maintenance, and life insurance premiums;
- Payments to, or in respect of, provincial health insurance;
- Payments of provincial payroll taxes and Québec sales tax on insurance premiums; and

- The return to certain employees of their share of the employment insurance premium reduction.

The remaining planned spending ($0.26 billion) is directly related to the operations of the Secretariat and to the five following program activities: Management Frameworks, People Management, Expenditure Management, Financial Management, and Internal Services.

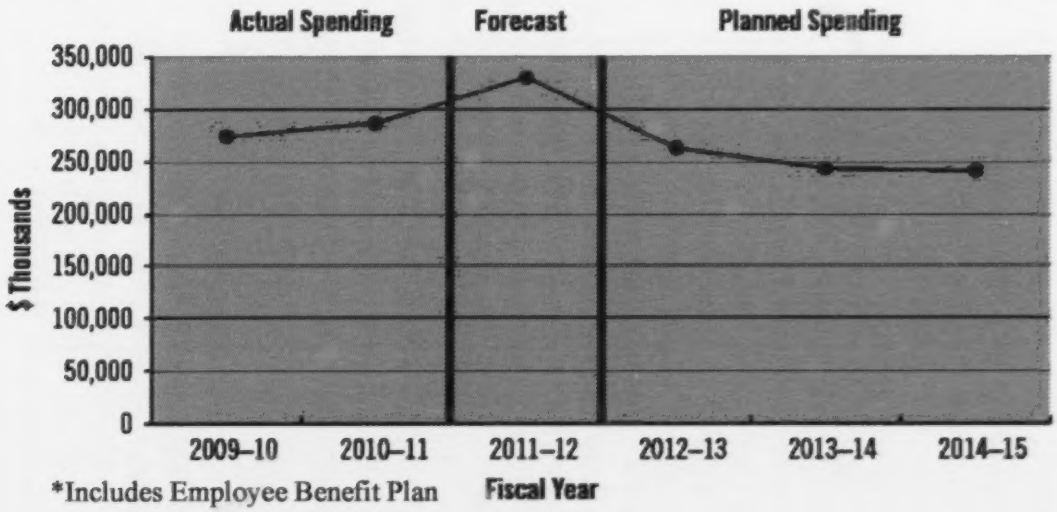
Figure 3. 2012–13 Planned Spending (Total $5.69 billion)



Departmental Spending Trend

The following figure illustrates the Secretariat's spending trend from 2009–10 to 2014–15 for the operations of the Secretariat and the five following program activities: Management Frameworks, People Management, Expenditure Management, Financial Management and Internal Services. These operations reflect the people and activities that support the Secretariat's strategic outcome of ensuring that government is well managed and accountable and that resources are allocated to achieve results.

Figure 4. Spending Trend for Program Expenditures (Vote 1)*



*Includes Employee Benefit Plan

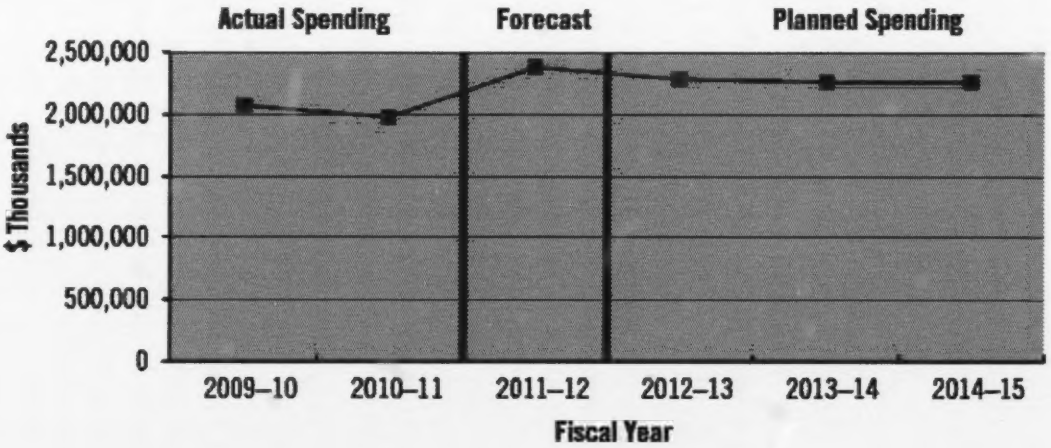
The Secretariat's spending increased in 2011–12 compared with 2010–11, largely due to the funding received to implement the following initiatives:

- Resources for external experts who will help design a framework for the Strategic and Operating Review based on public and private sector best practices, to achieve operational and administrative efficiencies;
- Paylist expenditures, primarily for one-time severance payouts stemming from the provisions of new collective agreements;
- Support for a litigation management unit within the Secretariat to manage employment and labour relations litigation;
- Red Tape Reduction Commission;
- Completion of the project that rationalized the unique system-sharing needs of the Secretariat and the Department of Finance Canada; and
- An initiative to modernize human resources government-wide.

These increases were offset by reductions through the implementation of Strategic Review decisions, cost-containment measures and sunsetting initiatives.

The Secretariat's spending will decrease between 2012–13 and 2014–15, mainly due to the sunsetting of funds and the implementation of Strategic Review decisions and cost-containment measures.

Figure 5. Spending Trend for Public Service Insurance (Vote 20)



Expenditures for public service insurance include the payment of the employer's share of contributions required under the various insurance plans sponsored by the Government of Canada. It also represents payments for taxes, a number of employer obligations, and other expenses.

Public service employer payments increased from 2010–11 to 2011–12 as a result of growth in the public service and growth in the government-wide wage envelope and the cost of benefits under the plans. Planned spending for public service insurance is decreasing from 2011–12 to 2012–13 in the amount of $103 million. The decrease is primarily due to cost savings from the successful introduction of a pay direct card for the Public Service Health Care Plan and lower growth in membership. Although planned spending from 2012–13 to 2014–15 is relatively stable, it is premature to draw trend conclusions at this time.

Estimates by Vote

For information on our organizational appropriations, please see the *2012–13 Main Estimates*[xii] publication.

Section II: Analysis of Program Activities by Strategic Outcome

Strategic Outcome

Strategic outcome	Performance indicator	Target
Government is well managed and accountable, and resources are allocated to achieve results.	Canada's ranking in the World Bank Worldwide Governance Indicators, Indicator 3, "Government Effectiveness."	Top 10 in the Organisation for Economic Co-operation and Development (annually).

Results achieved in support of the Secretariat's strategic outcome strengthen the effectiveness and efficiency of the federal government, support decision making by Parliament, Treasury Board and Cabinet, and ensure that Canadians are well served by a government that is accountable and transparent. Effective government contributes to Canada's competitive advantage, providing a strong foundation for security, stability and prosperity. The strategic outcome is supported by six program activities:

- Management Frameworks
- People Management
- Expenditure Management
- Financial Management
- Government-Wide Funds and Public Service Employer Payments
- Internal Services

This section describes each of the Secretariat's program activities and identifies their expected results, performance indicators and targets, in line with the *Policy on Management, Resources and Results Structures*.[xiii] It presents the financial and human resources planned for each program activity and highlights some key planned initiatives for 2012–13.

Program Activity 1: Management Frameworks

Management Frameworks
- Strategic Management and Governance
- Sound Management and Decision Making
- Service Modernization
- Information Management, Access and Privacy
- Management of Information Technology
- Government Security
- Communications and Corporate Identity
- Regulatory Management

Program Activity Description

The Management Frameworks program activity establishes guiding principles and expectations for public sector management. It includes setting government-wide policy directions in targeted areas such as governance, regulatory management, the Management Accountability Framework[xiv] (MAF), service, information management and technology. Working with all federal organizations, the Secretariat provides leadership, a challenge function, and community enablement in areas related to policy development, compliance, performance reporting, and capacity building of functional communities in key areas of management. This work includes new and emerging issues and priorities related to the management of the public service and the promotion of a cultural shift in how government deals with risk and innovation. In turn, this work informs the policies in the Expenditure, Financial and People Management program activities. This program activity is underpinned by a broad set of enabling legislation, including the *Financial Administration Act*.

Financial Resources ($ thousands)

2012–13	2013–14	2014–15
59,741	50,480	50,031

Human Resources (full-time equivalents—FTEs)

2012–13	2013–14	2014–15
455	413	413

Program Activity Expected Results	Performance Indicators	Targets
Sound governance and management in the Government of Canada	Per cent of departments/agencies that obtained a rating of "Acceptable" or "Strong" in the MAF Areas of Management for Citizen-Focused Service, Management of Security, Risk Management, Information Management and Information Technology.	75% (2012–13)
	Average percentage improvement in overall MAF scores for identified areas of priority from previous year.	5% (2012–13)

Planning Highlights

Through the Management Frameworks program activity, the Secretariat will continue to support improved management performance and accountability within departments and agencies. Efforts in this area support the modernization of government operations, which is as a key priority for the Secretariat (see Priority 2 under "Organizational Priorities" in Section I). The Secretariat will also manage risks related to the modernization of government and the shifting roles and responsibilities of the Secretariat and deputy heads (see "Risk analysis" in Section I). As part of this program activity, the Secretariat will undertake the following key initiatives in 2012–13:

- Continue to develop and implement the Open Government initiative to facilitate public access to government data and information, and engage Canadians.
- Support the government's response to the recommendations of the Red Tape Reduction Commission, including the implementation of a One-for-One Rule. This rule will require the removal of at least one regulation each time a new regulation is introduced that imposes administrative burden on businesses.
- Implement a series of targeted changes to Treasury Board policy instruments to reduce the administrative and reporting burden placed on departments and agencies, and advance an efficient, risk-based approach to management oversight.
- Support Shared Services Canada by re-aligning Treasury Board policies to facilitate consolidating government internal services (i.e., email, data centre and network services) into one common operating model.

Open Government

In December 2011, the Honourable Tony Clement, President of the Treasury Board, launched an Open Government Consultation[xv] and hosted the government's (and the Secretariat's) first tweet chat on the topic of open government.

Program Activity 2: People Management

Program Activity Description

The People Management program activity supports efforts across the federal public service to achieve strong leadership and a well-managed workforce and workplace. These elements provide the foundation for driving employee engagement and a culture of excellence, leading to high-quality policies, programs and services, and a sustained and productive public service. In certain instances, this program activity includes efforts that extend beyond the core public administration to separate employers and Crown corporations. It undertakes direction-setting activities that include: developing and implementing people management–related frameworks and policies; setting and monitoring departmental people management performance expectations; conducting research and analysis regarding the state of people management; and supporting the effective management of the leadership cadre. This program activity also provides public service–wide leadership on managing compensation, which it shares with the Expenditure Management program activity, and includes collective bargaining and associated labour relations, and establishing and maintaining the public service pension and benefits regime. The People Management program activity supports enabling infrastructure including the human resources functional community and the underlying business processes and systems; it is underpinned by legislation that includes the *Financial Administration Act*, the *Public Service Employment Act*, the *Public Service Labour Relations Act*, the *Public Servants Disclosure Protection Act*, the *Official Languages Act*, and the *Employment Equity Act*.

Financial Resources ($ thousands)

2012–13	2013–14	2014–15
59,431	53,768	51,772

Human Resources (full-time equivalents—FTEs)

2012–13	2013–14	2014–15
494	414	414

Program Activity Expected Results	Performance Indicators	Targets
Effective people management in the Government of Canada	Per cent of assessed departments/agencies that obtained an overall rating of "Acceptable" or "Strong" in the MAF Area of Management for People Management.	95% (2016–17)
	Per cent of assessed departments/agencies that obtained a rating of "Acceptable" or "Strong" for identified areas of weakness in the previous round of MAF assessment in the Area of Management for People Management.	65% (2013–14)

Planning Highlights

This program activity supports the Secretariat's priority to enable a modern and sustainable approach to people management (see Priority 3 under "Organizational Priorities" in Section I). The Secretariat will also manage possible risks related to clarifying and better aligning the roles and responsibilities of the Secretariat and deputy heads (see "Risk analysis" in Section I). As part of this program activity, the Secretariat will undertake the following key initiatives in 2012–13:

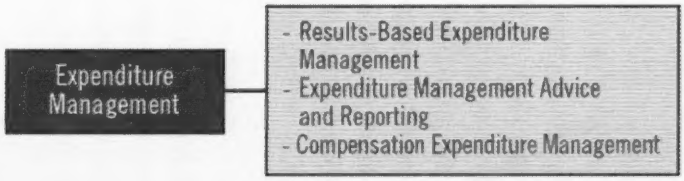
- Enable effective workforce planning and performance in departments and agencies by providing tools and advice that may be used to support the implementation of their cost reduction and other initiatives, including the Disability Management Transformation Project.
- Continue to support deputy heads in their accountability for effective people management, including implementing the *Values and Ethics Code for the Public Sector*[xvi] and the accompanying *Policy on Conflict of Interest and Post-Employment*;[xvii] reviewing the application of official languages policies; and streamlining the suite of Treasury Board policies, such as those related to the management of executives.

Values and Ethics

A new *Values and Ethics Code for the Public Sector* and the *Policy on Conflict of Interest and Post-Employment* came into force in 2012. The new Code addresses emerging issues such as the use of social media. It applies to the entire public sector, including Crown corporations and separate agencies.

- Advance a simplified, integrated and modern approach to public service pensions and benefits to facilitate long-term efficiencies, sustainability and cost containment, with a focus in 2012–13 on aligning the governance structures and design of the pension, health, dental and disability insurance plans.
- Publish regulations that support the implementation of the *Public Sector Equitable Compensation Act*, and develop awareness and education plans.

Program Activity 3: Expenditure Management


Expenditure Management
- Results-Based Expenditure Management
- Expenditure Management Advice and Reporting
- Compensation Expenditure Management

Program Activity Description

The Expenditure Management program activity helps ensure the alignment of resources to achieve government priorities in a way that maximizes value for money and provides a whole-of-government perspective on matters related to direct program spending. Working with all federal organizations that are subject to budget appropriation, this program activity undertakes the review, analysis, and challenge of plans and proposals involving departmental spending, development of expenditure forecasts and strategies, compensation management, and results-based management. It also supports production of the government's Estimates documents and reporting to Parliament. This program activity forms part of the Expenditure Management System, the framework for the development and implementation of the government's spending plans and priorities within the limits established by the budget, which is implemented in coordination with the Department of Finance Canada and the Privy Council Office. The primary piece of legislation underpinning the program's activities is the *Financial Administration Act*.

Financial Resources ($ thousands)

2012–13	2013–14	2014–15
35,295	35,295	35,295

Human Resources (full-time equivalents—FTEs)

2012–13	2013–14	2014–15
270	264	264

Program Activity Expected Results	Performance Indicators	Targets
Value for money in the management of expenditures in the Government of Canada	Per cent of departments/agencies that obtained a rating of "Acceptable" or "Strong" in the MAF Area of Management for Managing for Results.	65% (2013–14)
	Per cent of large departments that achieved a minimum rating of "Acceptable" in the MAF Area of Management for Quality and Use of Evaluation.	70% (2012–13)
	Per cent of decision makers satisfied with the financial and non-financial information they are provided to assess value for money.	Under development

Planning Highlights

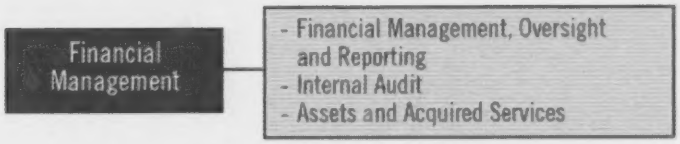
Ensuring value for money in government spending is a key priority for the Secretariat, in line with the government's goal of returning to balanced budgets in the medium term (see Priority 1 under "Organizational Priorities" in Section I). The Secretariat will also be prepared to support the government as it responds to ongoing economic uncertainty (see "Risk Analysis" in Section I). As part of this program activity, the Secretariat will undertake the following key initiatives in 2012–13:

- Support departments and agencies in implementing their cost-reduction plans.
- Better leverage existing expenditure management data to support effective oversight, analysis and decision making, including advancing the development and use of a government-wide information dashboard.
- Modernize Treasury Board operations through the piloting of an "electronic Treasury Board," which includes replacing paper-based binders for ministers with electronic devices.

E-Tabling

In 2011, for the first time, Departmental Performance Reports and the Canada's Performance report were made available to members of Parliament in electronic format, and Canadians primarily rather than in printed volumes. This saved thousands of pages of printing and facilitated readier access to the information.

Program Activity 4: Financial Management



Program Activity Description

The Financial Management program activity promotes good financial management practices across government to ensure that financial activities are carried out effectively and efficiently. Working with all federal organizations, the Secretariat delivers on this role by: developing financial management, accounting, transfer payment and internal audit policies, directives and standards; assisting departments by providing leadership, policy advice and guidance; setting performance expectations and monitoring performance; building capacity and community development within the functional communities; planning horizontal audits and conducting audits of small departments and agencies; providing financial oversight and reporting; and advising central agencies and departments on financial authority issues associated with the *Financial Administration Act* and the Appropriation Acts, the primary pieces of legislation underpinning the Financial Management program activity.

Financial Resources ($ thousands)

2012–13	2013–14	2014–15
32,912	32,532	32,532

Human Resources (full-time equivalents—FTEs)

2012–13	2013–14	2014–15
170	163	163

Program Activity Expected Results	Performance Indicators	Targets
Sound comptrollership in the Government of Canada	Per cent of departments/agencies that obtained a rating of "Acceptable" or "Strong" in the MAF Areas of Management for Internal Audit, Financial Management and Control, Procurement, Asset Management, and Investment Planning and Management of Projects.	85% (2012–13)

Planning Highlights

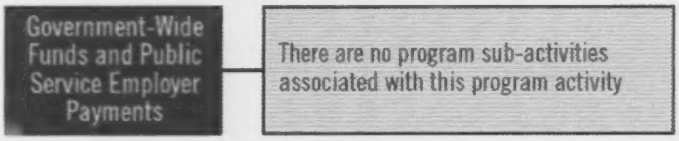
The Financial Management program activity will contribute to the Secretariat's priorities to ensure value for money and to modernize government (see Priority 1 and Priority 2 under "Organizational Priorities" in Section I). Efforts in 2012–13 will focus on enabling deputy heads to implement improvements to financial systems and reporting, on building capacity in the financial management community, and on strengthening the internal audit and assets and acquired services functions. As part of this program activity, the Secretariat will undertake the following key initiatives in 2012–13:

- Advance the standardization of financial business processes and common financial information, including implementing guidelines for the government's top financial management business processes.
- Complete the implementation of the suite of Treasury Board financial management policies and advance the renewal of policies in the areas of procurement and assets management.
- Develop guidance regarding the use of financial analytical tools and techniques to enable the internal audit function in departments and agencies to test their internal financial controls.
- Support the development of succession planning for chief financial officers and chief audit executives through talent management and community development initiatives, and by addressing competency gaps.

Horizontal Internal Audits

The Secretariat leads horizontal internal audits in small and large departments and agencies to address areas of government-wide risk. For example, in 2011 it conducted the Horizontal Internal Audit of Electronic Recordkeeping in Large Departments and Agencies.[xviii] All horizontal audit reports are available on the Secretariat's website.[xix]

Program Activity 5: Government-Wide Funds and Public Service Employer Payments


Government-Wide Funds and Public Service Employer Payments
There are no program sub-activities associated with this program activity

Program Activity Description

The Government-Wide Funds and Public Service Employer Payments program activity accounts for funds that are held centrally to supplement other appropriations, from which payments and receipts are made on behalf of other federal organizations. These funds supplement the standard appropriations process and meet certain responsibilities of the Secretariat as the employer of the federal public service.

Government-Wide Funds (Central Votes)

Financial Resources ($ thousands)

2012–13	2013–14	2014–15
3,153,193	3,153,193	3,153,193

Human Resources (full-time equivalents—FTEs)

2012–13	2013–14	2014–15
Not applicable	Not applicable	Not applicable

Public Service Employer Payments

Financial Resources ($ thousands)

2012–13	2013–14	2014–15
2,277,240	2,267,281	2,258,381

Human Resources (full-time equivalents—FTEs)

2012–13	2013–14	2014–15
Not applicable	Not applicable	Not applicable

Program Activity Expected Results	Performance Indicators	Targets
Allocations, payments and receipts managed by the Secretariat are made, as required.	Per cent of allocations and payments made as required.	100% (2012–13)

Planning Highlights

Administration of central funds falls under the Expenditure Management and People Management program activities; however, their associated financial resources are shown separately under Program Activity 5 in the PAA for visibility and reporting purposes. Other contingency funds are available to other government departments, if required, and expenditures are identified under their program activities. Planned spending for this program activity relates to a number of centrally managed votes, which are described in Appendix A. Related information on planned spending is presented as online supplementary information in Section III.

Program Activity 6: Internal Services

Program Activity Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are:

- Management and Oversight Services;
- Communications Services;
- Legal Services;
- Human Resources Management Services;
- Financial Management Services;
- Information Management Services;
- Information Technology Services;
- Real Property Services;
- Materiel Services;
- Acquisition Services; and
- Travel and Other Administrative Services.

Internal Services include only those activities and resources that apply across an organization and do not include those provided for a specific program.

Financial Resources ($ thousands)

2012–13	2013–14	2014–15
75,564	71,721	70,914

Human Resources (full-time equivalents—FTEs)

2012–13	2013–14	2014–15
677	672	667

Planning Highlights

Efforts under this program activity will support the Secretariat's priority to pursue greater efficiency and effectiveness in its internal operations (see Priority 4 under "Organizational Priorities" in Section I). The Secretariat is also managing departmental risks relevant to this program activity, including in the areas of information security, shared services and emergency responsiveness (see "Risk Analysis" in Section I). To support this program activity, the Secretariat will undertake the following key initiatives in 2012–13:

- Develop and begin implementing a multi-year plan to improve operational efficiency by automating streamlined processes, transferring IT services that are part of the mandate of Shared Services Canada, and introducing enhanced electronic recordkeeping.
- Implement the Secretariat's long-term accommodation plan and advance the Workspace Renewal Initiative.
- Apply the perspective of the Secretariat's enabler role in developing operational and central agency initiatives, including a focus on building strategic partnerships, facilitating collaboration and greater use of risk-based approaches.
- As part of its contribution to Theme IV of the FSDS (see "Contribution to the FSDS" in Section I), the Secretariat will contribute to targets for Greening Government Operations in the following areas:
  - Disposal of surplus electronic equipment;
  - Reduction of printing units and paper consumption;
  - Green meetings; and
  - Green procurement.

Workplace 2.0

The Secretariat is looking at ways to adopt Workplace 2.0[xx] concepts as part of its Workspace Renewal Initiative. This includes office designs that are flexible and maximize the use of space and technology in order to help improve productivity, and attract and retain employees.

For additional details on the Secretariat's Greening Government Operations activities, please see "List of Supplementary Information Tables" in Section III.

Section III: Supplementary Information

Financial Highlights

The future-oriented financial highlights presented in this section are intended to serve as a general overview of the Secretariat's operations. These highlights are prepared on an accrual basis to strengthen accountability, and improve transparency and financial management.

The variance between the figures that follow and the planned spending amounts provided in other sections of this report relates to such items as non-respendable revenues, services without charge received from other government departments, amortization, and severance and vacation pay liability adjustments.

Condensed Future-Oriented Statement of Operations
For the Year Ended March 31
($ thousands)

	$ Change	Future-Oriented 2012–13	Future-Oriented 2011–12
Expenses			
Government-Wide Funds and Public Service Employer Payments	-42,015	2,283,440	2,325,455
Management Frameworks	-23,189	60,514	83,703
People Management	-4,738	71,688	76,426
Expenditure Management	-22,767	38,019	60,786
Financial Management	-38	37,712	37,750
Internal Services	-9,947	91,911	101,858
Total Expenses	**-102,694**	**2,583,284**	**2,685,978**
Revenues			
Government-Wide Funds and Public Service Employer Payments	-755	6,854	7,609
Management Frameworks	3	3	0
People Management	629	8,429	7,800
Internal Services	-2,398	6,214	8,612
Total Revenues	**-2,521**	**21,500**	**24,021**
Net Cost from Continuing Operations	**-100,173**	**2,561,784**	**2,661,957**

The decrease in expenses from 2011–12 to 2012–13 for Government-Wide Funds and Public Service Employer Payments is mostly attributable to a reduction in Public Service Health Care Plan costs resulting from the introduction of the pay direct card and to decreases in provincial payroll taxes. The decrease in expenses from 2011–12 to 2012–13 for the Management Frameworks and Expenditure Management program activities is mostly attributable to time-limited funding in 2011–12.

Condensed Future-Oriented Statement of Financial Position

For the Year Ended March 31

($ thousands)

	$ Change	Future-Oriented 2012–13	Future-Oriented 2011–12
Assets			
Financial Assets	3,892	404,808	400,916
Non-Financial Assets	-1,383	7,291	8,674
Total Assets	**2,509**	**412,099**	**409,590**
Liabilities			
Liabilities	3,157	470,471	467,314
Total Liabilities	**3,157**	**470,471**	**467,314**
Equity	**-648**	**-58,372**	**-57,724**
Total Liabilities and Equity	**2,509**	**412,099**	**409,590**

Future-Oriented Financial Statements

The complete Future-Oriented Financial Statements can be found on the Secretariat's website.

List of Supplementary Information Tables

All electronic supplementary information tables found in the *2012–13 Reports on Plans and Priorities* are available on the Secretariat's website.[xxi]

- Greening Government Operations;
- Sources of Respendable and Non-Respendable Revenue; and
- Upcoming Internal Audits and Evaluations Over the Next Three Fiscal Years.

Section IV: Other Items of Interest

Organizational Contact Information

Treasury Board of Canada Secretariat
Strategic Communications and Ministerial Affairs
L'Esplanade Laurier, 9th Floor, East Tower
140 O'Connor Street
Ottawa, Canada K1A 0R5

Website: www.tbs-sct.gc.ca

Telephone: 613-957-2400
Toll free: 1-877-636-0656
TTY: 613-957-9090
Facsimile: 613-941-4000

Additional Information

The following items of interest are available on the Secretariat's website:

- Appendix A—Secretariat Centrally Managed Votes Under Program Activity 5: Government-Wide Funds and Public Service Employer Payments
- Program activity descriptions[xxii]

Endnotes

i. Policy Suite Integrity, http://www.tbs-sct.gc.ca/prp-pep/psri-irp-eng.asp
ii. Budget 2011, http://www.budget.gc.ca/2011/home-accueil-eng.html
iii. Open Government, http://www.open.gc.ca/index-eng.asp
iv. Open Government Partnership, http://www.opengovpartnership.org/
v. Red Tape Reduction Commission, http://www.reduceredtape.gc.ca/index-eng.asp
vi. Regulatory Cooperation Council, Joint Action Plan for the Canada-United States Regulatory Cooperation Council, http://actionplan.gc.ca/eng/feature.asp?pageId=381
vii. Worldwide Governance Indicators, http://info.worldbank.org/governance/wgi/index.asp
viii. Budget 2010, http://www.budget.gc.ca/2010/home-accueil-eng.html
ix. 2010 Strategic Review Results, http://www.tbs-sct.gc.ca/sr-es/res/res-2010-res-eng.asp
x. Treasury Board of Canada Secretariat, http://www.tbs-sct.gc.ca/tbs-sct/index-eng.asp
xi. Environment Canada, Sustainable Development, http://ec.gc.ca/dd-sd/default.asp?lang=En&n=C2844D2D-1
xii. 2012–13 Main Estimates Publication, http://www.tbs-sct.gc.ca/est-pre/20122013/p2-eng.asp
xiii. *Policy on Management, Resources and Results Structures*, http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=18218
xiv. Management Accountability Framework, http://www.tbs-sct.gc.ca/maf-crg/index-eng.asp
xv. Minister Clement Announces Open Government Consultation, http://www.tbs-sct.gc.ca/media/nr-cp/2011/1206-eng.asp
xvi. *Values and Ethics Code for the Public Sector*, http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=25049
xvii. *Policy on Conflict of Interest and Post-Employment*, http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=25178
xviii. Horizontal Internal Audit of Electronic Recordkeeping in Large Departments and Agencies, http://www.tbs-sct.gc.ca/report/orp/2011/itl-itg01-eng.asp
xix. Treasury Board of Canada Secretariat, Government-Wide Horizontal Internal Audits, http://www.tbs-sct.gc.ca/reports-rapports/index-eng.asp
xx. Workplace 2.0, http://www.tpsgc-pwgsc.gc.ca/mt-wp/index-eng.html
xxi. Treasury Board of Canada Secretariat, Estimates for the Government of Canada and Other Supporting Documents, http://www.tbs-sct.gc.ca/est-pre/index-eng.asp
xxii. Program activity descriptions, http://www.tbs-sct.gc.ca/tbs-sct/abu-ans/tbs-sct/paa-aap-eng.asp